

A. P. GIANNINI •
FOUNDER • 1870 • 1949



CLEVELAND PUBLIC LIBRARY
BUSINESS INF. SER.
CORPORATION FILE

BANK
of
AMERICA

1961 ANNUAL REPORT

*"Serving the needs of others is the
only legitimate business in the world today.
In everything we do we are actuated
by one motive—to build our
neighborhood, our community, our
state, and our nation."*

A. P. GIANNINI





The twenty-page center section of this Annual Report comprises the formal record of Bank of America's 1961 operations. It contains a statistical account of the bank's activities. Banking operations can be summarized in columns of figures and projected on graphs and charts. But there is no exact way of summarizing the end product of these operations—the service these figures represent.

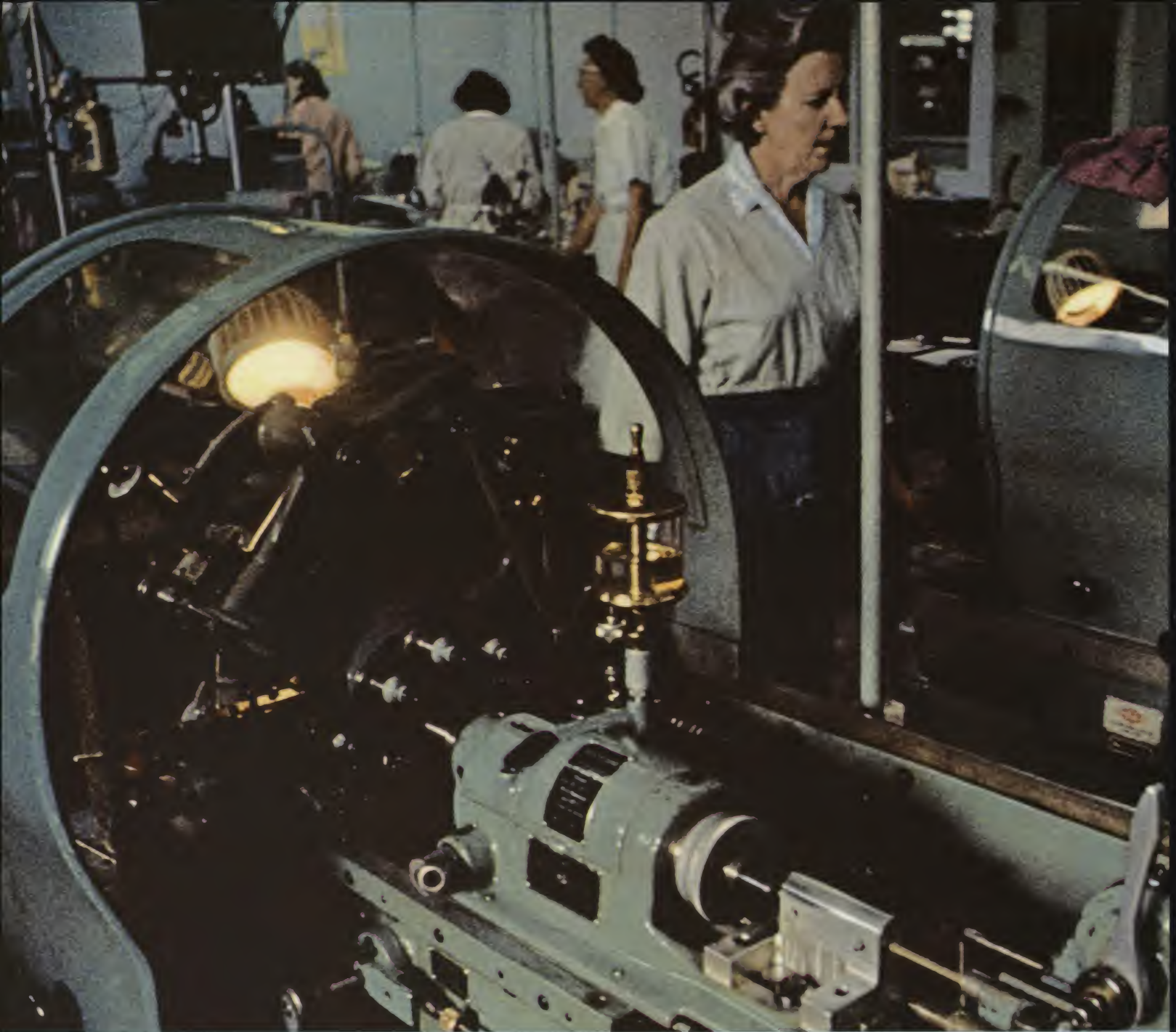
Over the years, Bank of America has prospered because it has been able to satisfy the demands of an expanding economy....



With the population of California increasing by more than half a million a year, new municipal needs arise every day: new schools must be built; water must be provided; municipal facilities must be constantly expanded; bonds must be issued. To help meet these needs Bank of America bids on all eligible state and municipal bonds in order to assure a market for these issues. As a result of this policy, the state has enjoyed a favorable market for its extensive financing—a vital element for orderly, sustained municipal growth.



An expanding population requires not only enlargement of municipal services but—more urgently—food. Growers must have the implements and financing to produce the food and fibre required by our growing population at costs which are competitive with other producing areas. The bank is the state's largest lender in the financing of agricultural implements, and nearly half of the state's present agricultural production is financed by Bank of America—providing strong support to this important segment of the economy.



The bank, of course, serves industry as well as agriculture. During the postwar period, there has been dramatic industrial growth, keeping pace with the demands of a growing market. The bank has played a major role in this growth. Although we finance many of the nation's leading corporations, one of our bank's specialties is helping small businesses grow. Every month, we make more than 45,000 loans to commerce and industry. Our total outstanding investment in commercial loans amounts to almost 3 billion dollars.

MEMORANDUM TO OUR STOCKHOLDERS

The past year was one of growth and development for your bank. Resources, deposits, and loans reached new records and earnings remained at a high level. Summarized in round figures, these were the highlights of 1961:

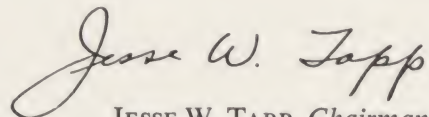
- Resources passed twelve billion dollars to set a new record high in banking.
- Deposits grew at a rate of over one and a half million dollars a day to exceed the eleven billion dollar mark.
- Loans outstanding continued their upward trend and approached seven billion dollars.
- Earnings exceeded eighty-seven million dollars.
- Capital was augmented by the issuance of almost three million additional shares of common stock.

On the pages that follow, you will find a detailed review of the year's activities. Underlining this statistical record are two vital factors—the wisdom and cooperation of our Board of Directors and employees.

Over the years, the dramatic progress of our bank has been made possible by the energy and skill of our Directors, officials, and staff. Their accumulated knowledge and experience have been responsible for the bank's tradition of excellence, a tradition we shall strive to maintain in the years ahead.



S. CLARK BEISE, *President*



JESSE W. TAPP, *Chairman*



HIGHLIGHTS OF THE YEAR'S OPERATIONS

Compared with Previous Year

	1961	1960
Operating Earnings	\$ 552,231,052	\$ 535,594,999
Operating Expenses (including applicable taxes and assessments)	\$ 464,448,248	\$ 442,366,822
Net Operating Earnings	\$ 87,782,804	\$ 93,228,177
Per Share	\$ 3.25*	\$ 3.47**
Taxes and Assessments applicable to Operations	\$ 94,584,530	\$ 100,435,092
Per Share	\$ 3.32	\$ 3.74**
Dividends Paid	\$ 51,200,000	\$ 49,920,000
At Year End:		
Loans	\$ 6,827,609,080	\$ 6,699,494,437
Deposits	\$11,475,436,134	\$10,805,891,450
Total Resources	\$12,735,764,740	\$11,941,981,259
Capital Funds and Reserve for Possible Loan Losses	\$ 920,473,920	\$ 791,264,208
Shares Outstanding	28,480,000	25,600,000
Domestic and Overseas Branches	751	719

*Computed on the basis of the monthly average number of shares outstanding. Computed on shares outstanding December 31, 1961 per share earnings were \$3.08.

**1960 per share figures adjusted for stock dividend paid in 1961.

REPORT TO OUR STOCKHOLDERS 1961

1961 In Review

Despite a relatively slow start, most segments of the national economy registered strong gains in 1961 in an environment of nearly stable prices.

The upswing carried output, income, and employment to new records. Impetus was provided by a shift from inventory liquidation to accumulation, rising government spending, improved consumer buying late in the year, and a rise in residential construction. Capital spending also began moving upward despite excess capacity in many industries. Seasonally adjusted unemployment was about 6% as the year ended, but the rate was declining and long-term unemployment was lessening.

Federal government spending was accelerated by the build-up in defense and space programs. State and local government outlays continued their long-term rise in response to the increasing demand for schools, highways, and other facilities.

During much of the year, consumers had restrained their buying in order to add to savings and reduce outstanding debt. This improvement in liquidity, combined with the substantial advance in personal income, placed consumers in a strong position to buy. As a result, retail sales picked up markedly toward the end of 1961.

The relatively easy money market continued during 1961. In part, this reflected the aim of Federal monetary authorities to promote vigorous growth while unemployment continued relatively

high and prices remained stable. In addition, business demands for bank loans were moderate, as industry financed much of its expansion through security flotations and internally generated funds.

As in 1960, the California economy reflected national trends. But the state continued to outperform the nation in employment, income, and population growth. Civilian employment in California increased 1% over 1960, compared with a negligible increase nationally, while personal income advanced 5% in the state, compared with less than 4% in the nation.

New residents helped push the California population to 16,700,000 by the end of 1961, a gain of nearly 4% over last year. Because population grew faster than job opportunities, the rate of unemployment rose and averaged 7% of the labor force. By the fourth quarter the rate was declining, but at year end it was still slightly above the comparable 1960 period.

The decline in the state's defense employment was reversed in April as job expansion in missiles and electrical equipment reflected increased Federal spending. In addition, aircraft employment began moving upward after a long decline.

Construction activity advanced, particularly in nonresidential and apartment construction.

Farm cash receipts in California again exceeded \$3,000,000,000. However the figure was off slightly from the previous year's record due to

COMPARATIVE SUMMARY OF EARNINGS

Operating Earnings:	1961	1960
Interest on loans	\$391,699,956	\$395,141,833
Interest and dividends on securities, after amortization of premiums . . .	77,461,210	62,818,948
Commissions, fees, and other income	83,069,886	77,634,218
	<u>552,231,052</u>	<u>535,594,999</u>
Operating Expenses:		
Interest paid	\$155,904,025	\$135,325,262
Salaries (including employes' bonus and participation in profit-sharing plan amounting to \$6,279,386 in 1961 and \$6,707,188 in 1960)	135,033,376	134,333,060
Provision for taxes and assessments applicable to operations	94,584,530	100,435,092
Other operating expenses	78,926,317	72,273,408
	<u>464,448,248</u>	<u>442,366,822</u>
Net Operating Earnings	<u>\$ 87,782,804</u>	<u>\$ 93,228,177</u>
Profit (or loss) on securities transactions, after Federal tax . . .	1,541,197	(3,123,871)
	<u>\$ 89,324,001</u>	<u>\$ 90,104,306</u>
Transfers to reserves, after Federal tax reduction resulting therefrom	9,219,000	9,219,000
	<u>\$ 80,105,001</u>	<u>\$ 80,885,306</u>
Dividends Paid	<u>51,200,000</u>	<u>49,920,000</u>
Addition to Capital Funds	<u>\$ 28,905,001</u>	<u>\$ 30,965,306</u>

price weaknesses in the cattle and fresh fruit and vegetable markets during the first half of 1961.

California's dynamic growth pattern will continue in 1962. The state will participate in the general business advance and will both contribute to and benefit from national efforts to strengthen the defense and space capabilities of the United States.

Earnings

Economic conditions throughout the United States during 1961 resulted in a comparatively weak demand for commercial loans. Consequently, earnings records of most major commercial banks were below those of 1960. Our bank's earnings remained at a relatively high level, although they reflected the industry's trend.

Total operating income was \$552,231,052, compared with \$535,594,999 a year ago.

The major portion of this income consisted of interest of \$391,699,956 on loans. Interest and dividends on securities, after amortization of premiums, aggregated \$77,461,210. Commissions, fees, and other income totaled \$83,069,886.

Total operating expenses of \$464,448,248 included interest payments of \$155,904,025. This major expense item increased by \$20,578,763 over 1960, primarily because of the change to payment of savings interest on a daily balance basis—a step made to meet the increasing pressure of rate competition.

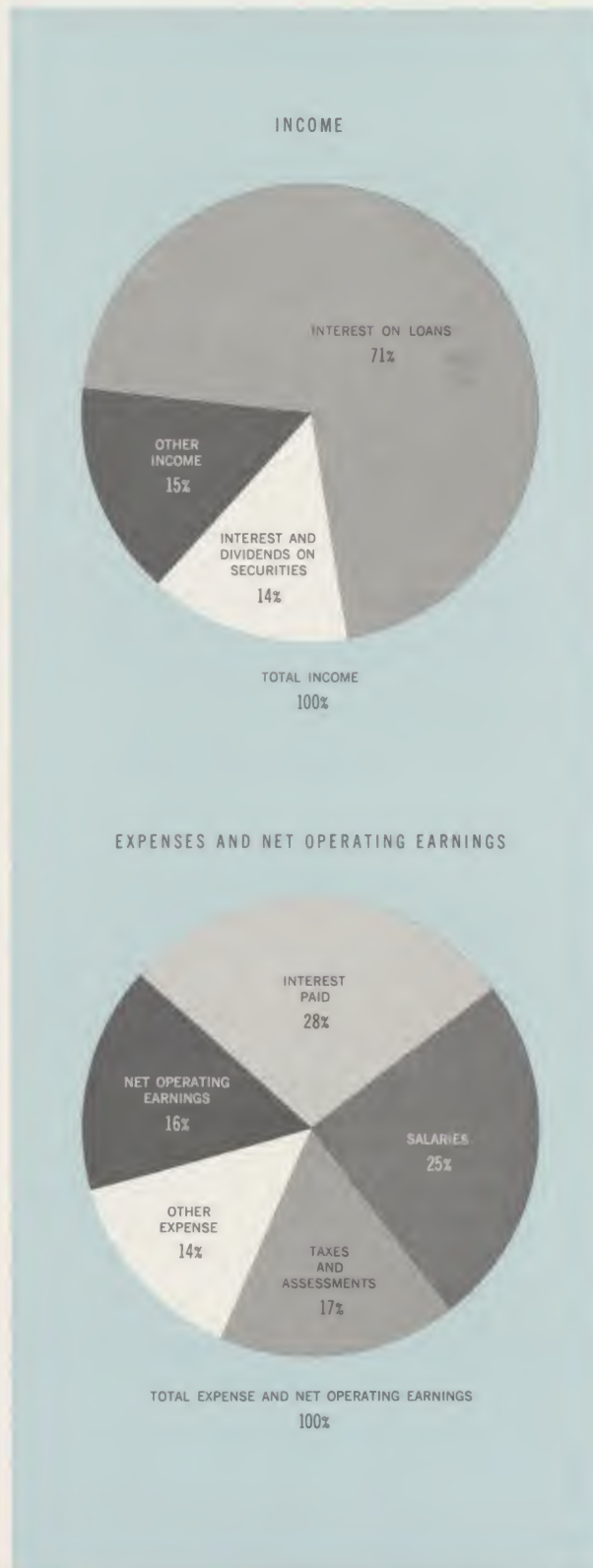
It is gratifying to note that our savings deposits recorded a major rise in 1961, contrasted with the decline experienced in 1960 when the daily balance computation provision was not in effect.

As in previous years, the impact of taxes and assessments applicable to operations was substantial. These taxes and assessments amounted to \$94,584,530, or \$3.32 on a per share basis, and constituted a major burden on our earnings.

Other operating expenses were \$213,959,693. This expense category showed one of the smallest increases in recent years, reflecting the cost stabilization made possible by the expanded use of electronic facilities.

Net operating earnings were \$87,782,804, slightly below last year's \$93,228,177. This equaled \$3.08 on the 28,480,000 shares outstanding on December 31. Late in 1961, additional

Source and Distribution of Gross Income



shares of capital stock were issued. Computed on the basis of the monthly average number of shares outstanding, per share earnings for 1961 were \$3.25, compared with \$3.47 per share last year after adjustment for the 5% stock dividend paid in 1961.

Security transactions during the year resulted in a net profit of \$1,541,197 after deduction for Federal income tax.

Transfer of \$17,500,000 to reserves resulted in an after-tax charge of \$9,219,000 to earnings. Dividend payments amounting to \$51,200,000 left \$28,905,001 as the balance of profits. This sum was added to Capital Funds.

Dividends

The Board of Directors authorized continuation of the \$2.00 per share annual dividend rate. In addition, a 5% stock dividend was paid. As a result of this stock dividend, 1,280,000 shares were distributed to our stockholders. This required the transfer of \$8,000,000 from Undivided Profits to the Capital account.

Capital Funds

The prospect of state, national, and international economic expansion, coupled with our bank's growth in recent years, prompted the Board of Directors to recommend an increase in the bank's Capital Funds.

The Directors' proposals were approved by the shareholders at a special meeting on November 21, 1961, and the issuance of 2,880,000 additional shares of common stock was authorized. The stock dividend accounted for 1,280,000 of these shares.

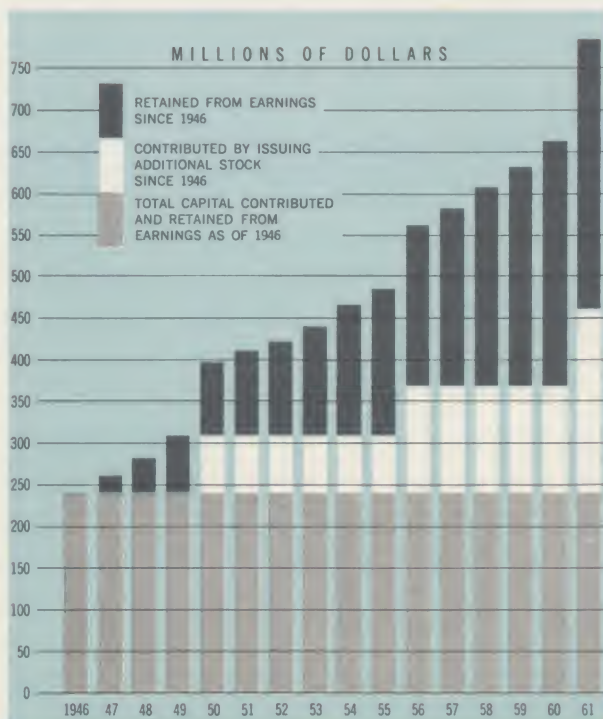
The remaining 1,600,000 shares were offered to our stockholders at \$59.00 per share, a price lower than the market quotation at the time of the offering. Stockholders were entitled to purchase one new share for each 16 owned and subscriptions were received for 98% of the new shares. As a result there were only a nominal number of unsubscribed shares remaining to be taken up by the underwriting group.

Net proceeds from sale of the new issue totaled \$92,576,177. Of this amount, \$10,000,000 was

Net Operating Earnings



Capital Growth



added to Capital and the remaining sum of \$82,-576,177 to Surplus.

In addition, Surplus was increased by \$9,423,-823 by transfer from Undivided Profits and, at year end, retained earnings of \$28,905,001 were added to Capital Funds.

As a result of these transactions, Capital Funds combined with the Reserve for Possible Loan Losses of \$135,360,452 totaled \$920,473,920 at year end.

The bank's Capital Funds have almost doubled during the past decade. Despite this increase, our earnings as a percentage of Capital Funds have been consistently among the highest for major commercial banks.

Our ability to produce earnings at a higher rate than is common to the industry is due to many factors, including the economic environment of California and the bank's tradition of innovation.

The vast diversity and growing needs of the California economy are reflected in our broadly-based loan and deposit structure as well as in our wide variety of services. As a result, the bank has a built-in stability of deposits and earnings and a geographical and numerical diversity of risk. These factors make it possible for us to use leverage safely and effectively.

Deposits

Highlighting the year was a growth of \$669,544,-684 in deposits, a rate of deposit increase of over \$1,500,000 a day.

At year end, deposits were \$11,475,436,134, compared with \$10,805,891,450 on December 31 a year ago.

SAVINGS AND OTHER TIME DEPOSITS rose \$384,129,341 during the year and totaled \$5,923,335,997 at year end, accounting for 52% of total deposits.

State, county, municipal, domestic and foreign time deposits all contributed to the increase.

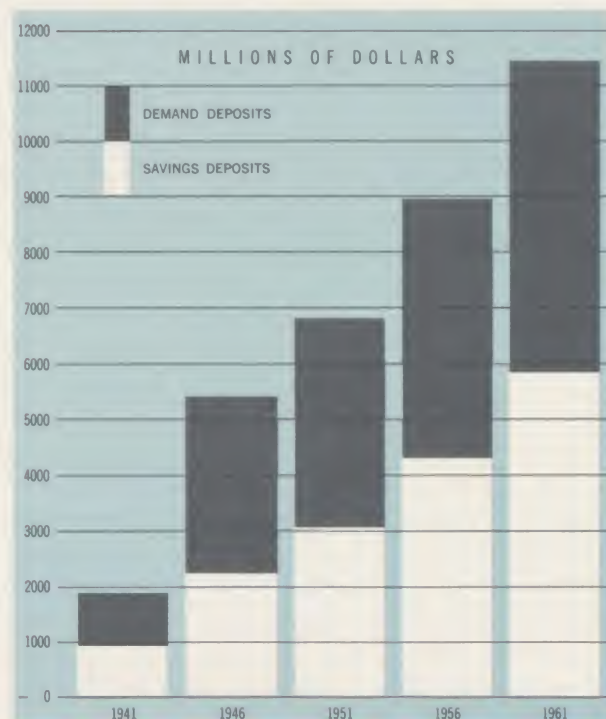
Particularly gratifying, however, was the major rise in the savings category. Savings deposits showed an increase of \$237,400,000.

At the conclusion of 1961, our savings and other time accounts numbered almost 5,000,000. Our savings accounts had an average balance of about \$900.

Number of Deposit Accounts



Deposits



DEMAND DEPOSITS, consisting primarily of the checking accounts of individuals and businesses, totaled \$5,552,100,137 as of December 31, an increase of \$285,415,343 over the \$5,266,684,794 total of a year ago. At year end we had almost 2,500,000 checking accounts with an average balance of about \$1,500.

During 1961, approximately 200,000 low-balance, dormant savings accounts were removed from our active deposit accounts in order to effect operating economies. As a result, the reported number of active deposit accounts declined slightly and aggregated just under 7,500,000 at the conclusion of the year.

The availability of deposits to make loans or invest in securities is a vital factor in banking. We shall continue our efforts to attract new customers and to provide the best service possible for our present depositors.

Loans

TOTAL LOANS AND DISCOUNTS at year end were \$6,827,609,080, compared with \$6,699,494,437 a year ago. The demand for loans during the first half of the year was relatively slow; however, credit demands increased in the latter months.

Throughout 1961, we were able to continue our long-established policy of providing for the sound credit requirements of our present customers while actively soliciting new and profitable borrower-depositor relationships.

COMMERCIAL LOANS, as of December 31, 1961, were \$3,074,611,000 — up \$129,447,000 from the previous year end. These represent approximately 45% of the bank's loan portfolio.

During the year we made over 500,000 commercial loans amounting to almost \$7,500,000,000 to business, industry, and agriculture.

Using commercial credit in substantial volume were such industries as steel, shipping, oil, lumber, apparel, heavy construction, chemicals, transportation, missiles, electronics, utilities, and aircraft manufacturers. However, we continued to place special emphasis upon extending credit to small businesses.

The usual heavy volume of loans was made to finance agriculture, including the movement of crops, food and fibre processing, and the carrying

of seasonal inventories. Agricultural lending represents a substantial portion of the bank's commercial loan activity.

INSTALMENT CREDIT LOANS at year end totaled \$1,361,454,000, a decline of \$37,716,000 from the previous year. These loans account for 20% of our loan portfolio.

Our activity in consumer financing and related fields is conducted under our nationally known trademark—**TIMEPLAN**—and covers the entire spectrum of consumer lending. These **TIMEPLAN** loans are offered in three major classes: directly to the public; to finance instalment sales through dealers in consumer goods; and to finance the inventory requirements of **TIMEPLAN** dealers.

During 1961, **TIMEPLAN** loans made totaled more than \$3,500,000,000. Repayments were more than \$3,540,000,000. These loans have a high liquidity with a repayment rate of about 20% per month.

Of special interest in this category is the financing of higher education, a field pioneered in California by Bank of America. Merchandised under the name "Study Plan," such loans provide funds for college education, graduate studies, and professional training, and put the cost of education on a convenient monthly basis.

REAL ESTATE LOANS outstanding showed a net increase at year end. During the year we made real estate loans totaling \$530,000,000, and mortgage repayments amounted to \$494,000,000. The net real estate loan portfolio on December 31 was \$2,391,544,000, compared with \$2,355,160,000 a year ago—an increase of \$36,384,000.

At year end, 292,000 real estate loans were outstanding, primarily amortized loans on single-family dwellings. The average outstanding balance on these loans is about \$8,000.

Real estate loans account for approximately 35% of our total loan portfolio. Over half of these loans—or almost 20% of the total loan portfolio—are insured or guaranteed by agencies of the United States Government.

Real estate loans are less sensitive to interest rate changes and therefore contribute to the stability of our earnings. However, these loans have reflected the strengthened interest rate levels prevalent over the past few years. As a result, our real

estate loan portfolio holds promise of increased yields in the years ahead.

During the year, we continued to be an important source of funds for the California building industry, financing the construction of many thousands of dwelling units and various other types of building projects.

Investments

In anticipation of an early resumption in the demand for bank credit, a large proportion of the funds realized from the year's substantial deposit growth was invested in short-term government securities.

At the end of 1961, our security portfolio totaled \$3,180,825,331 — up \$478,317,243 from the preceding year.

Our holdings of United States Government and United States Government guaranteed securities increased by \$474,254,747, totaling \$2,255,874,150 at the close of the year. These securities included \$966,326,402 maturing within one year. More than 95% of the total, or \$2,155,536,111,

will mature within five years. The average maturity of this section of our investment portfolio was one year and eleven months, compared with two years and six months at the close of 1960.

State, county, and municipal securities totaled \$718,484,791 at year end, an increase of \$22,145,053 for the year.

The average tax-exempt yield of 2.381% as of December 31, compared favorably with 2.310% at the end of 1960. The average life of these holdings was 72.1 months at the conclusion of the year, compared with 74.1 months at the end of the previous year.

Underwriting of municipal bonds continued to be an important activity of our bank. Our policy of entering bids on all of California's eligible municipal bond flotations has helped assure a market for the vast financing needed by a large and rapidly growing state.

Bond financing during 1961 by the State of California and its political subdivisions set a record post-World War II high of \$1,294,148,000, comprising 561 issues. This represents 15.5% of all long-term municipal bonds sold in the United States during the year.

Our bank continued to be an important factor in supplying the needed funds through its management of underwriting groups. Bank of America-managed groups purchased 239 issues totaling \$703,156,000, or 54.3% of California's 1961 municipal bond financing.

In summary, at year end the entire security portfolio stood at \$3,180,825,331. Total interest and dividends, after amortization of premiums, amounted to \$77,461,210.

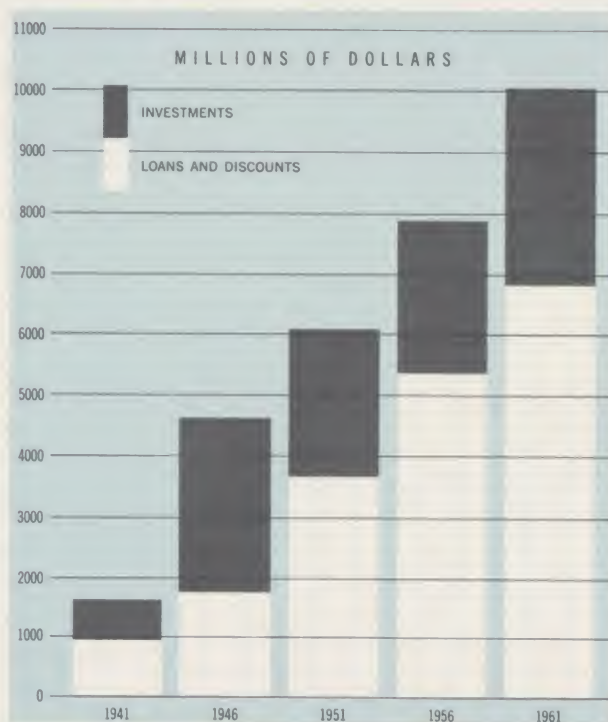
Resources

Total resources increased by \$793,783,481 during 1961 and stood at \$12,735,764,740 as of December 31. This is a new record and represents a growth of 69% during the past 10 years.

Cash on hand and due from banks amounted to \$2,203,692,490 at year end, representing 17% of our resources.

The bank's earning assets, consisting of loans and discounts of \$6,827,609,080 and securities totaling \$3,180,825,331, aggregated \$10,008,434,411 at year end, or 79% of our resources.

Total Loans and Investments



STATEMENT OF CONDIT

(Figures of Overseas Branches)

RESOURCES

Cash and due from banks.....	\$ 2,203,692,490.20
United States Government securities and securities guaranteed by the Government.....	\$2,255,874,149.59
Federal agency securities.....	95,788,356.90
State, county and municipal securities.....	718,484,791.21
Other securities	90,878,033.17
Stock in Federal Reserve Bank.....	19,800,000.00
TOTAL SECURITIES	3,180,825,330.87
Loans guaranteed or insured by the United States Government or its agencies.....	1,411,156,492.59
Other loans to customers for use in their businesses, for building, buying, or modernizing their homes, for financing automobile or household equipment purchases, etc.....	5,416,452,587.09
Interest due on bonds and loans, and accounts receivable.....	84,126,100.92
Customers' liability for acceptances.....	207,994,438.62
Bank premises, furniture, fixtures, and safe deposit vaults, carried at cost less depreciation reserve of \$65,715,809.18.....	227,547,941.32
Other real estate owned. Unoccupied bank premises and real estate acquired in the settlement of debt, carried at less than cost or at appraised value	1,814,098.15
Other resources, deferred charges, etc.....	2,155,260.34
TOTAL RESOURCES	\$12,735,764,740.10

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RESOURCES

Cash and due from banks.....	\$170,329,669.61
United States Government obligations, direct and fully guaranteed.....	7,125,000.00
Other securities	11,503,492.95
Loans and discounts.....	263,978,567.89
Accrued interest	1,797,556.87
Customers' liability for acceptances and endorsed bills.....	44,367,314.19
Bank premises, furniture, and fixtures..	3,919,271.49
Other resources	4,470,471.43
TOTAL RESOURCES	\$507,491,344.43

America

ND ASSOCIATION

ION DECEMBER 31, 1961

(are as of December 23, 1961)

LIABILITIES

Capital. Representing the investment of over 200,000 stockholders of record	\$ 178,000,000.00
Surplus. Paid in by stockholders or accumulated from earnings	482,000,000.00
Undivided profits. Profits accumulated and reinvested in the business	118,228,505.10
Reserves. Set aside out of our accumulated profits by the Board of Directors, available as a reserve, in addition to Surplus and Undivided Profits, against normal contingencies	<u>6,884,962.87</u>
TOTAL CAPITAL FUNDS	\$ 785,113,467.97
Reserve for possible loan losses. To apply against any loan losses that may develop in the future; it has not been allocated to any particular loans or type of loans	135,360,452.37
Demand deposits. Funds placed with the bank by individuals, corporations, firms, banks, United States and other Governments, the State of California and political subdivisions thereof	\$5,552,100,136.32
Savings and time deposits. Funds placed with the bank in savings accounts or for extended periods of time by individuals, corporations, firms, banks, United States and other Governments, the State of California and political subdivisions thereof	<u>5,923,335,997.24</u>
TOTAL DEPOSITS	11,475,436,133.56
Liability on acceptances	209,834,598.36
Reserve for interest received in advance	80,886,557.47
Reserve for interest payable on time deposits and for taxes and other expenses	<u>49,133,530.37</u>
TOTAL LIABILITIES	<u>\$12,735,764,740.10</u>

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LIABILITIES

Capital	\$34,000,000.00
Surplus	6,800,000.00
Undivided profits	<u>2,431,804.15</u>
TOTAL CAPITAL FUNDS	\$ 43,231,804.15
Reserve for possible loan losses	4,069,329.77
Deposits	408,612,103.38
Foreign funds borrowed	2,137,969.26
Liability on acceptances	40,347,306.69
Liability on endorsed bills	5,422,623.80
Reserve for interest received in advance	997,932.06
Reserve for interest, taxes, etc.	<u>2,672,275.32</u>
TOTAL LIABILITIES	<u>\$507,491,344.43</u>

International Services

During 1961, many of the nations of the Free World continued to chalk up new records of prosperity and economic growth.

The United States recorded an improvement in its deficit balance-of-payments position. As a result of a reduction in United States imports, a slow-down in the outflow of United States capital, and a nonrecurring item resulting from early repayment of an outstanding government loan, the \$3.8 billion deficit of 1960 was reduced to about \$2.0 billion in 1961.

The principal improvement, however, occurred during the first half of the year. During the second half, a deteriorating trend again appeared as United States imports began to rise in response to domestic economic recovery, while exports were leveling off.

Because of these developments and the higher levels of short-term interest rates in Europe—particularly in London — gold losses again became significant in the second half of the year.

The need for strengthening the world's system of payments received attention in international financial and banking centers during 1961. Officials of our bank participated in international conferences which were held during the year on this and other economic and financial problems facing Free World nations. These conferences included the annual meeting of the Inter-American Development Bank at Rio de Janeiro in April, the meetings of the International Monetary Fund and of the World Bank and its affiliated institutions at Vienna in September, and the International Industrial Conference in San Francisco, also in September.

During 1961, the six countries comprising the European Common Market continued to make good progress toward their goal of economic integration. While many difficult issues remain to be resolved, 1961 may well have marked a milestone in the creation of an economically and politically unified Europe.

The United Kingdom's desire to join the Common Market will in all probability encourage other

Bank of America's World-wide Facilities *Including Bank of America N.T. & S.A. and Bank of America (International)*

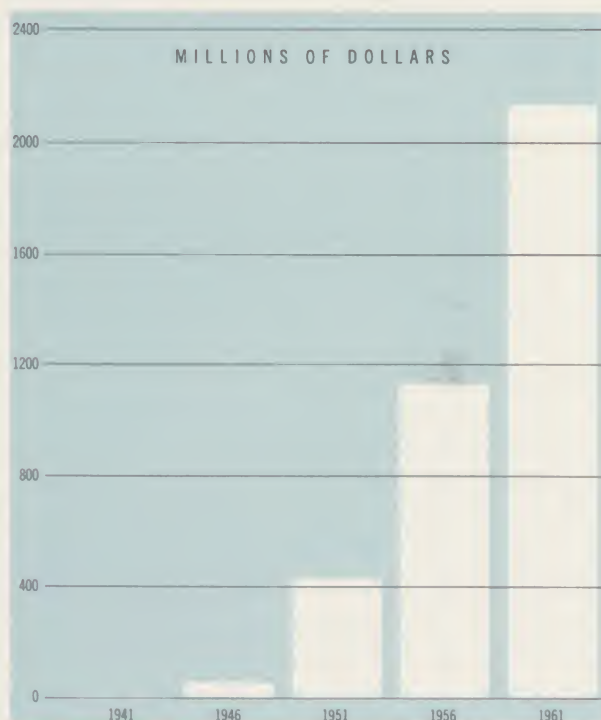


countries of the European Free Trade Association, or "Outer Seven," to seek membership.

To enable our bank to better serve the accelerating economies of Europe, we completed the remodeling and expansion of our two branches in London and established a Scandinavia-Benelux representative office in Copenhagen. We are convinced that the promising future of the Common Market will afford Bank of America and American business in general many opportunities. Through our branches in Germany, France, and the United Kingdom; our representative offices in Germany, Switzerland, France, Italy, Spain, and Scandinavia; and Banca d'America e d'Italia with its 76 branches throughout Italy, our organization is in an outstanding position to share in Europe's continuing economic growth.

In the Far and Middle East conditions were mixed. Japan experienced another year of rising activity. Government measures were introduced to restrain the boom as inflation and balance-of-payments problems threatened. Less developed coun-

Growth of International Resources



BANCA d'AMERICA e d'ITALIA

Condensed Statement of Condition December 31, 1961

RESOURCES

Cash on hand and due from banks and correspondents	Lire 45,172,081,704
Cash and Government securities deposited with Banca d'Italia	42,240,397,780
Investment in government securities	8,511,206,089
Investment in other securities and participations	6,726,579,341
Bills discounted	33,747,039,379
Loans and advances	74,469,921,613
Bills held for collection	9,587,713,021
Customers' liability under acceptances, guarantees, documentary credits, etc.	34,571,794,670
Bank premises (revalued in accordance with law)	2,018,985,983
Furniture and fixtures	1
Other assets	6,763,611,633
Assets of staff liquidation fund	4,317,585,076
TOTAL RESOURCES	Lire 268,126,916,290

LIABILITIES

Capital	Lire 1,300,000,000
Surplus	3,100,000,000
Undivided profits	1,061,449,962
Reserve arising from revaluation of bank premises	918,170,417
Deposits and other accounts	199,995,351,903
Acceptances, guarantees, documentary credits, etc.	34,571,794,670
Unearned discount	700,990,917
Bills received for collection	6,970,161,674
Other liabilities and provisions for future contingencies	14,307,003,392
Staff liquidation fund	4,317,585,076
Pension fund	884,408,279
TOTAL LIABILITIES	Lire 268,126,916,290

This is an unaudited balance sheet and, in accordance with Italian banking practices, is subject to the approval of the Board of Directors and Shareholders at the Annual Meeting in Milan in April of 1962.

tries in the area pressed their efforts to raise living standards, but success was limited by population increases which largely offset income gains. Progress in many of these nations has been slow, but in others some momentum has been attained.

In Pakistan, our bank saw a need for additional international banking facilities to accommodate expanding business and industry; to help fill this need, we opened a Karachi branch in July 1961. In the Pacific, we opened an office on Truk. A representative office was set up in Hong Kong during the year, and our Bangkok branch was moved to better quarters. With these additions, we now have 13 branches and three representative offices serving the Far and Middle East.

The development of the Alliance for Progress during 1961 raised hopes for more rapid economic advances in Latin America. However, inflation, limited exports, and political uncertainties hindered progress in some parts of this region. Despite these factors, our over-all business in Latin America, including branches in Argentina and Guatemala and representative offices in Argentina, Brazil, and Mexico, prospered.

In Africa, political instability continued to pose a major problem in some countries as 1961 drew to a close. However, large areas of the continent have not had these difficulties and our facilities in Africa, despite political upheavals, had a satisfactory year.

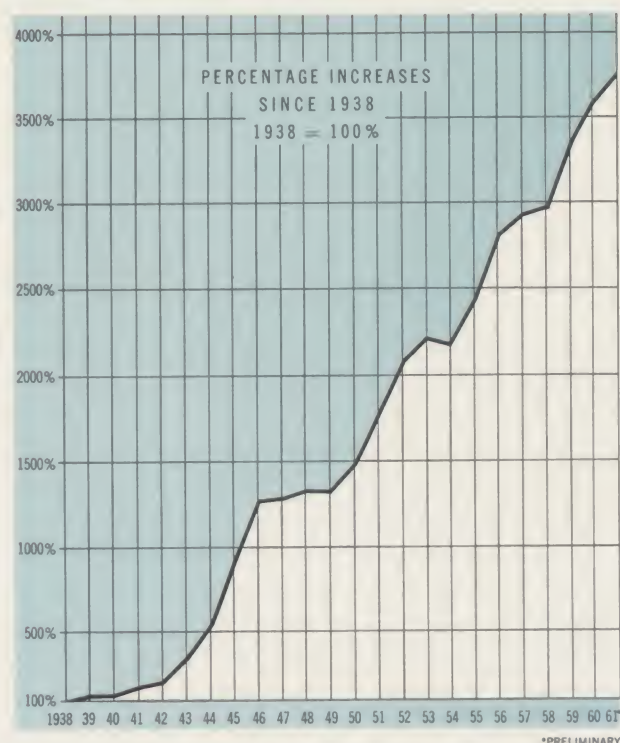
The long-term economic outlook for the Free World is one of growth and prosperity. Operating within this framework, our bank's overseas facilities—which currently total 20 branches and 12 representative offices—will continue to expand.

Our bank's internationally-based services continued to grow during the year, and contributed significantly to earnings. Letters of credit, foreign exchange transactions, collections, and remittances all showed good increases in volume.

Bank of America Travelers Cheques registered a sales gain of almost \$18,000,000 and an increase of 650 selling outlets. At the end of the year, sales outlets totaled more than 11,000. During 1961, we began to supply our sellers with the world's first electronically-encoded travelers cheque.

Our wholly-owned subsidiary, Bank of America (International), continued coordinating the

Annual World-wide Sales of Bank of America Travelers Cheques



Banca d'America e d'Italia



operations of its seven overseas branches from its headquarters in New York. Organized in 1950, it had total resources of \$49,163,817 at the end of that year and has shown impressive growth in all respects since then. At the end of 1961, its resources had grown to \$507,491,344.

This bank also owns a majority interest in Banca d'America e d'Italia, which operates branches throughout Italy from its Milan headquarters. Banca d'America e d'Italia experienced a record year. Its net operating earnings increased substantially from the previous year, and its deposits registered a growth of 11.6%. Banca d'America e d'Italia's 76 branches include two opened during 1961, located in Turin and Sampierdarena.

In 1961, the net operating earnings of Bank of America (International) totaled \$3,564,906, an increase of 36% over 1960's comparable figure of \$2,615,197. Net profits on security transactions were \$3,969, and earnings applied to special valuation reserves for an early write-down of assets carried as overseas investments were \$1,257,999. Included was \$565,840 in dividends net after taxes from Banca d'America e d'Italia. A transfer to the Reserve for Possible Loan Losses resulted in an after-tax charge against earnings of \$240,000. Bank of America (International) paid a \$3.00 per share dividend of \$1,020,000 on its 340,000 shares, and added the balance of earnings and profits to Capital Funds.

At the conclusion of 1961 our internationally-based resources, combined with the resources of Bank of America (International) and Banca d'America e d'Italia, totaled over \$2,000,000,000.

Trust Services

Gains were again registered by the Trust Department in 1961. Trust earnings substantially exceeded the 1960 figure, and a record high was established for new trust business.

Our trust business development programs during the year resulted in a substantial increase in the reported value of wills filed naming Bank of America as executor or trustee; a greater volume of new estates under administration; and a notable increase in the number of trust accounts for living persons, including investment management agency accounts and custodianships of securities.

A number of new pension, profit-sharing, and thrift plans were established in the field of employee benefit trusts. In 1961, this service grew both in numbers of new accounts and in terms of deposits to established accounts. These deposits total many millions of dollars each year.

Our various investment funds set new records in 1961. The Diversified Common Trust Fund completed its fourteenth year of operation with almost 3,000 trust accounts valued at more than \$98,000,000. On November 30, 1961, this fund was divided into two parts—one composed of common stocks, the other of bonds, real estate loans, and preferred stocks. The investment objective of a trust can be met by varying the percentages of participation in the two divisions.

Our Investment Fund for Employee Benefit Trusts has grown to more than \$27,000,000 in total assets in less than six years, with a large number of individual plans participating in the two divisions—fixed income and equity securities.

In addition to the pooled investment funds, our Trust Department manages thousands of individual portfolios consisting of properties and investments in leading business and industrial firms.

Advances were made in the corporate service trust field in 1961. Many corporations throughout the nation appointed us transfer or co-transfer agent. We were also designated fiscal agent, trustee, and paying agent under multimillion-dollar bond issues of many corporate and governmental bodies.

Bank of America's electronic facilities, currently in use by the Trust Department in servicing accounts of investment companies, have now been adapted to handle other stock transfer activities on behalf of the many companies for which we act as transfer or co-transfer agent.

In 1961, we opened new trust offices in the San Fernando Valley, and in Palm Springs and San Rafael. At year end, 30 trust offices served the state.

BankAmericard

BankAmericard, our statewide charge-account plan, realized substantial gains in sales volume and outstandings during 1961.

A steady increase in both the number of merchant members and active cardholders resulted in

BankAmericard becoming profitable early in the year. This was accomplished before the statewide service was two years old.

By the end of 1961, purchases could be charged to BankAmericard at more than 30,000 firms in California, and totaled about \$75,000,000 for the year. The usefulness of the card has been increased during the year by a new feature which enables cardholders to obtain cash up to \$250 at Bank of America branches.

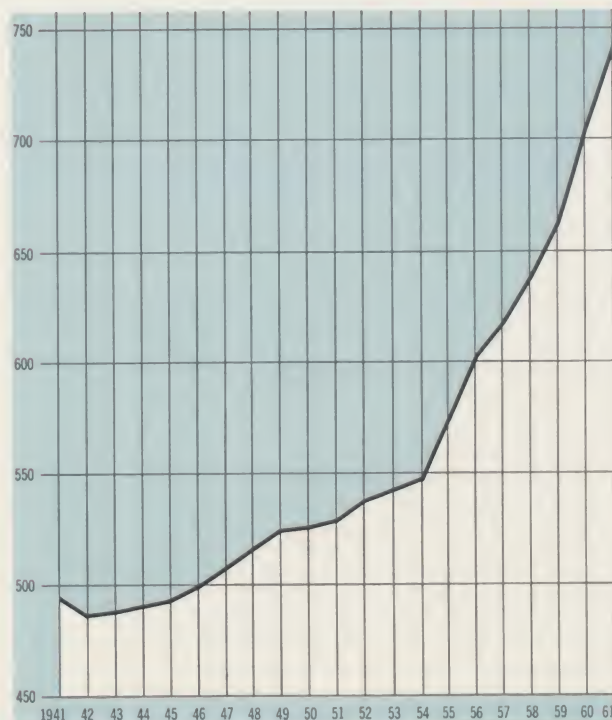
The card's contribution to the bank's profitability will become increasingly significant in the years ahead.

Branch Growth

For the greater convenience of our customers, 32 new branches were opened during 1961. These new branches not only will generate additional earnings but also will enhance our competitive position by bringing our facilities closer to a larger percentage of the California banking public.

On the average, it takes less than two years for a new branch to become a profit-producing unit.

Growth of Domestic Branches



Because of our high rate of branch expansion this year and in the years immediately past, our bank now has a greater backlog of branches about to emerge as profitmakers than at any other time in our history.

In addition to branches opened during 1961, we relocated 15 existing branches in modern facilities at improved locations, and completed 47 major expansion and modernization projects.

At year end, 738 branches of Bank of America served California.

Over the past five years we have opened 140 new branches and have modernized or relocated 307 others. As a result, 61% of our 738 branches are either new or recently remodeled units.

Major modernization and construction programs begun during the year included a \$10,000,000 project for the complete refurbishing of our Los Angeles Headquarters building and the integration of its facilities with a newly acquired neighboring building.

Technological Progress

Recent advances in technology have changed the face of banking. Many years ago our bank recognized the potential of electronics as applied to banking and began research in this area. We were then the pioneer. Today we are the leader in the application of electronics to the banking industry, both in terms of cost stabilization and in the creation of new technologically-based services.

During 1961, installation of our ERMA system of electronic bookkeeping was completed. Throughout the state, 13 ERMA centers now serve over 90% of our branches. These centers handle bookkeeping for almost 2,500,000 checking accounts and all processing and accounting of Travelers Cheques. Internal sorting and handling of Bank of America checks has been integrated with the system, eliminating 30,000,000 manual operations each month. This is a major collateral benefit of the ERMA program and represents a significant cost reduction.

In keeping with our policy of building maximum efficiency into our operations, our Electronic Data Processing Centers in San Francisco and Los Angeles were supplied with new equipment. During the year, the greater capacity of these new systems

enabled us to convert almost 600,000 additional loans to computer processing.

At year end, our various data processing systems were electronically handling 2,500,000 checking accounts, 1,500,000 real estate and TIMEPLAN loans, 100,000 Mutual Fund Certificate accounts, 70,000 Systematic Investment Plan accounts, 40,000 Stock Transfer accounts, 40,000 accounts receivable, and daily reconciliation of 80,000 interbranch entries.

Research

Research, long thought to be the province of industrial firms, has become an important part of Bank of America's operations in recent years.

We maintain a Systems and Equipment Research Department charged with the responsibility for development and application of technological methods which will reduce costs and improve the efficiency of our operations. This section conducts research into five areas: premises, methods, computers, communications, and equipment.

Our Customer Services Research Section translates technological change into new services for the convenience of our customers and into additional sources of income for our bank. Currently, this section is studying ways in which our facilities can be adapted to better serve business. Three new business services were inaugurated in 1961 as a result of this research—our Freight Payment, Utility Billing, and Customer Payroll services.

We will continue our research programs to open new areas of service and to improve our systems through the application of modern techniques.

Personnel

Employee performance has always been one of the most important factors behind the success of our operations. It is the enthusiasm, loyalty, and efficiency of our staff that have enabled us to provide the public with a high caliber of service.

In recent years, need has grown for highly trained specialists to handle, market, and direct the services offered by a large, automated, international organization like Bank of America. Realizing this, we have expanded and refined our training and development programs. These programs continue to show gratifying results. During 1961, 810 men and women participated in full-time on-

the-job training programs, and by year end 440 of these individuals had graduated into new assignments. Over 6,000 employees attended courses at the American Institute of Banking, and 155 others participated in various types of educational awards through the auspices of the Bank of America-Giannini Foundation.

During 1961, our policy of advancement from within resulted in 3,200 promotions, of which 325 were new officer appointments.

Throughout the year, meetings were held to acquaint our staff with the current administrative aims of the bank. Important among these were the Branch Managers' Conferences held in San Francisco and Los Angeles in January 1961. At these conferences our senior administrative officers reported on the over-all accomplishments of the previous year and defined the objectives for the ensuing year. Continued emphasis will be placed on this type of face-to-face contact, which we have found to be an excellent communication tool.

Board of Directors

The members of our bank's Board of Directors and Advisory Council are knowledgeable and successful men from many areas of business and industry. Their contributions of time and specialized knowledge have been important factors in keeping our bank a leader in modern banking techniques and services.

Members of the Board and the management of the bank were saddened during the year by the death of Mr. Harry A. Mazzer. Mr. Mazzer had been a highly respected member of our Board since 1932, and had long been a loyal and devoted friend of our bank.

The vacancies created by the death of Mr. Mazzer and by the resignation of Mr. John S. Griffith were filled by the appointments of Mr. R. A. Peterson and Mr. Daniel P. Bryant to the Board.

Mr. Peterson, former President of the Bank of Hawaii, was appointed Vice Chairman of the Board and will also serve as an administrative officer of our bank. Mr. Peterson has spent his entire career in banking and allied industries, including a decade of previous service with our bank.

Mr. Bryant, an active business and civic leader in Southern California, is President of Bekins Van and Storage Company.



**BOARD OF
DIRECTORS
AND
ADVISORY
COUNCIL**

Harry S. Baker
*Producers Cotton Oil Co.
Fresno, California*

H. M. Bardt*
*Executive Vice-President
Bank of America N. T. & S. A.*

S. Clark Beise
*President
Bank of America N. T. & S. A.*

Wheelock H. Bingham
*R. H. Macy & Co., Inc.
New York, New York*

Marsden S. Blois*
*Miller & Lux, Incorporated
San Francisco, California*

W. J. Braunschweiger*
Los Angeles, California

Daniel P. Bryant
*Bekins Van &
Storage Co.
Los Angeles, California*

K. L. Carver*
San Marino, California

Keath L. Carver*
*Executive Vice-President
Bank of America N. T. & S. A.*

Owen R. Cheatham
*Georgia-Pacific Corporation
New York, New York*

Austin T. Cushman
*Sears, Roebuck & Co.
Los Angeles, California*

F. M. Dana*
*Executive Vice-President
Bank of America N. T. & S. A.*

Robert Di Giorgio
*Di Giorgio Fruit Corp.
San Francisco, California*

F. A. Ferroggiaro
Oakland, California

Forrest Frick*
*Rancher
Bakersfield, California*

Alfred J. Gock
*Consolidated Freightways, Inc.
Menlo Park, California*

Walter A. Haas, Jr.
*Levi Strauss & Co.
San Francisco, California*

Marshal Hale, Jr.
*Hale Bros. Realty Co.
San Francisco, California*

Prentis C. Hale
*Broadway-Hale Stores, Inc.
San Francisco, California*

Mrs. Claire Giannini Hoffman
San Mateo, California

Robert E. Hunter*
*Property Management
Santa Barbara, California*

Eric A. Johnston
*Motion Picture Association of America, Inc.
Washington, D. C.*

Edgar F. Kaiser
*Kaiser Industries Corp.
Oakland, California*

Louis B. Lundborg*
*Executive Vice-President
Bank of America N. T. & S. A.*

Lloyd Mazzer*
*Executive Vice-President
Bank of America N. T. & S. A.*

Garret McEnerney II
*McEnerney & Jacobs
San Francisco, California*

Wm. Wallace Mein
*Director—Flintkote Company
San Francisco, California*

Frank C. Mitchell*
San Jose, California

R. A. Peterson
*Vice-Chairman of the Board
Bank of America N. T. & S. A.*

Neil Petree
*Barker Bros. Corporation
Los Angeles, California*

Louis A. Petri
*United Vintners Inc.
San Francisco, California*

Roland Pierotti*
*Assistant to the President
Bank of America N. T. & S. A.*

Charles H. Quinn*
*Director, Electrical Products Corp.
Los Angeles, California*

J. H. Rosenberg*
*Lehman Brothers (New York City)
Los Angeles, California*

A. E. Sbarboro
San Francisco, California

Russell G. Smith*
Ross, California

Samuel B. Stewart*
*Executive Vice-President
Bank of America N. T. & S. A.*

Jesse W. Tapp
*Chairman of the Board
Bank of America N. T. & S. A.*

Roland Tognazzini
*Union Sugar Company
San Francisco, California*

Grover D. Turnbow
*Foremost Dairies, Inc.
San Francisco, California*

Carl F. Wente
San Francisco, California

* Advisory Council Member

On the Advisory Council, our bank lost two other good friends in 1961 with the deaths of Mr. Frank F. Risso and Mr. Charles M. Paganini. Mr. Risso, a retired Vice President of our bank, had served and been associated with Bank of America for 55 years at the time of his death. Like Mr. Risso, Mr. Paganini was a close friend of our founder, A. P. Giannini. He was Chairman of the Board of Security Lithograph Company, and had served on the bank's Advisory Council since 1953.

During 1961, Mr. R. P. A. Everard of Kentfield resigned as a member of the Advisory Council.

Prospect for the Future

The vigorous performance of the nation's economy during the closing months of 1961 presages an impressive year of business activity for 1962.

The economy should show strength in almost all sectors, and will probably set new records throughout the year. Unemployment declined late in 1961, and this favorable trend should continue into 1962. Residential construction recorded a dramatic increase late this year and should remain at a high level. Personal income is likely to rise, and there will be a strong increase in consumer spending. Expanding retail markets, business investment in plant and equipment, and further increases in government spending should all contribute to the nation's continuing economic growth.

California will reflect these national trends, and efforts to strengthen the defense and space capabilities of the United States will have a salutary effect on the state's economy.

Bank of America will benefit from these economic advances. Our extensive operations provide a branch for approximately every 22,000 residents of California. Our efforts at innovation have continually provided new services and, as a result, new sources of earnings. Our highly automated electronic processing facilities have helped to stabilize costs. Bank of America is in a strong position in the international and national fields; and our state-wide operations are established in a large, diversified, and growing market.

All of these factors should enable our bank to expand in 1962. We anticipate major increases in loans and deposits as well as increasing use of our new technologically-based services.

Senior Management

S. CLARK BEISE

President

Chairman of the Managing Committee

JESSE W. TAPP*

Chairman of the Board of Directors

Executive Officer-Southern Division

R. A. PETERSON

Vice Chairman of the Board of Directors

H. M. BARDT*

Executive Vice President

General Administrative Officer

KEATH L. CARVER*

Executive Vice President

Loans and Investments

F. M. DANA

Executive Vice President

Coordinator of

Bank Activities

LOUIS B. LUNDBORG

Executive Vice President

Business Relationships

LLOYD MAZZERA

Executive Vice President

Chairman, General

Finance Committee

SAMUEL B. STEWART

Executive Vice President

General Counsel

ROLAND PIEROTTI

Assistant to the President

and Coordinator of

International Activities

**Headquartered in Los Angeles*

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YEARS OF GROWTH OF BANK OF AMERICA NT&SA

Dec. 31	Total Deposits	Capital	Surplus and Undivided Profits	Loans and Discounts	Investments in Securities	Total Resources	Number of Deposit Accounts	Number of Branches in California
1904	\$ 134,413	\$ 150,000	\$ 1,024	\$ 178,400	\$ 34,446	\$ 285,437	①	1
1905	703,024	300,000	10,000	883,522	24,505	1,021,291	①	1
1906	1,348,723	500,000	31,565	1,471,123	81,571	1,899,947	①	1
1907	1,660,324	500,000	46,945	1,678,222	57,884	2,221,347	①	2
1908	1,728,899	750,000	78,673	1,669,567	57,884	2,574,005	①	2
1909	2,929,495	750,000	90,820	2,445,137	266,628	3,817,218	①	3
1910	5,348,151	1,000,000	150,000	4,159,459	858,547	6,539,861	①	3
1911	7,129,456	1,000,000	201,649	4,885,974	1,638,000	8,379,347	①	3
1912	9,916,018	1,000,000	251,437	7,092,823	1,846,769	11,228,815	①	4
1913	14,226,242	1,250,000	330,390	10,282,785	2,406,706	15,882,912	42,378	7
1914	16,272,563	1,250,000	350,217	11,457,790	2,677,718	18,030,402	50,253	7
1915	20,474,873	1,250,000	374,244	12,970,068	5,084,363	22,321,861	58,854	7
1916	36,804,776	2,000,000	691,452	23,682,894	7,527,408	39,805,995	90,683	12
1917	72,044,729	3,000,000	1,100,000	47,004,189	13,308,177	77,473,153	141,298	19
1918	85,937,839	5,000,000	2,000,000	59,869,035	14,538,649	93,546,162	161,626	24
1919	127,258,626	6,000,000	2,500,000	74,737,335	33,855,881	137,900,700	189,511	24
1920	140,993,545	9,000,000	3,913,240	95,127,616	37,199,447	157,464,685	221,788	24
1921	177,867,611	10,000,000	5,036,948	116,911,735	43,499,682	194,179,450	291,994	41
1922	229,751,526	15,000,000	7,529,844	152,989,286	59,090,529	254,282,290	401,798	61
1923	276,548,879	15,000,000	8,616,832	200,505,931	56,543,859	301,963,478	485,136	75
1924	328,963,919	17,500,000	10,561,578	204,472,438	96,489,255	358,656,302	548,265	87
1925	389,433,241	17,500,000	13,474,173	228,793,066	121,678,890	422,838,587	595,032	98
1926	416,656,511	20,000,000	16,928,035	255,557,233	129,630,279	460,981,773	616,313	98
1927	645,002,138	37,500,000	25,540,829	403,864,139	238,856,707	765,188,977	1,083,303	289
1928	698,435,841	50,000,000	55,756,632	410,276,641	272,884,061	847,910,539	1,139,076	290
1929	893,892,733	50,000,000	58,251,159	541,617,718	246,538,740	1,055,113,373	1,444,090	292
1930	998,039,477	50,000,000	54,136,374	669,258,341	249,139,543	1,161,895,889	1,625,381	353
1931	749,796,772	50,000,000	54,290,312	548,431,954	237,965,856	925,150,152	1,542,783	346
1932	700,447,811	50,000,000	49,890,774	480,675,374	262,952,550	876,309,347	1,380,550	345
1933	767,817,646	50,000,000	49,591,605	458,693,566	311,084,996	941,001,838	1,357,224	345
1934	978,332,802	50,000,000	47,164,341	461,645,975	477,989,657	1,142,323,319	1,547,604	413
1935	1,155,265,465	50,000,000	50,867,307	451,009,354	622,694,559	1,277,419,381	1,677,558	421
1936	1,298,976,759	50,000,000	55,024,112	532,076,966	625,809,982	1,430,337,201	1,911,035	466
1937	1,357,378,756	50,000,000	59,104,964	630,668,811	553,131,379	1,493,373,095	2,123,057	491
1938	1,437,027,491	50,000,000	64,058,600	673,828,309	557,632,428	1,574,721,670	2,182,298	494
1939	1,482,791,676	50,000,000	66,845,842	711,054,697	604,268,671	1,628,586,278	2,268,843	495
1940	1,632,228,397	62,000,000	82,278,753	778,295,101	668,676,296	1,817,535,186	2,384,551	495
1941	1,908,383,921	60,800,000	83,634,808	914,569,553	693,113,910	2,095,635,619	2,538,783	495
1942	2,586,140,699	59,215,920	83,151,214	840,469,960	1,265,749,444	2,771,689,632	2,512,805	487
1943	3,498,153,210	58,102,920	87,051,168	810,660,642	2,095,432,722	3,697,912,675	2,743,231	488
1944	4,350,539,688	68,085,560	140,779,201	894,436,931	2,740,064,364	4,609,124,133	3,054,803	491
1945	5,339,307,098	108,085,560	117,155,495	1,018,741,456	3,533,172,278	5,626,063,927	3,316,494	493
1946	5,415,849,715	106,646,375	130,235,547	1,722,743,513	2,882,151,377	5,765,525,193	3,619,925	500
1947	5,467,199,162	106,646,375	150,525,936	2,492,979,739	2,170,721,906	5,845,817,669	3,815,802	508
1948	5,639,523,419	106,646,375	172,872,255	2,807,070,398	1,945,231,719	6,072,913,872	3,978,403	517
1949	5,775,110,029	127,975,650	177,868,961	2,804,522,646	2,322,505,622	6,250,402,352	4,120,523	525
1950	6,191,705,871	150,000,000	244,822,146	3,256,953,558	2,243,415,017	6,863,358,214	4,374,838	526
1951	6,815,866,795	150,000,000	257,218,390	3,632,685,350	2,439,510,645	7,531,296,927	4,832,147	529
1952	7,485,116,184	150,000,000	269,076,801	4,069,150,471	2,413,852,775	8,201,689,369	5,276,315	538
1953	7,744,200,096	150,000,000	286,267,820	4,148,713,734	2,531,605,621	8,501,761,722	5,581,697	543
1954	8,270,534,751	150,000,000	311,140,888	4,043,312,145	3,271,392,367	9,163,355,289	5,818,851	548
1955	8,802,506,128	150,000,000	330,080,550	4,727,961,473	2,984,567,789	9,669,145,972	6,191,571	574
1956	8,993,240,999	160,000,000	397,028,049	5,353,035,991	2,518,301,682	9,991,842,012	6,618,719	603
1957	9,524,116,723	160,000,000	416,970,724	5,554,784,021	2,742,530,348	10,639,149,591	6,916,240	617
1958	10,307,560,993	160,000,000	441,453,351	5,661,888,351	3,417,539,858	11,290,852,752	7,138,313	638
1959	10,624,958,182	160,000,000	466,395,447	6,599,668,232	2,725,392,943	11,669,404,346	7,398,585	664
1960	10,805,891,450	160,000,000	497,328,750	6,699,494,437	2,702,508,088	11,941,981,259	7,474,123	707
1961	11,475,436,134	178,000,000	600,228,505	6,827,609,080	3,180,825,331	12,735,764,740	7,420,000 ^②	738

① Not available.

② Preliminary.
See Text, Page 8



High on any list of ways in which Bank of America has served the community is in making real estate loans. With a rapidly increasing population—California's has doubled since 1940—new housing is in great demand all over the state. The bank has long played an important role in this continuing building program and is one of the largest residential lenders under the Federal Housing Authority program. Today, well over a quarter of a million people have real estate loans with our bank—primarily loans on single family residences.



Homes have to be furnished, kept in good repair, and the families who live in them need the modern conveniences that help make life easier, more comfortable and more enjoyable. To help satisfy these family needs, Bank of America makes about 18,000 TIMEPLAN instalment credit loans every week—almost a million loans each year. These loans are made for a variety of worthy purposes—they enable consumers to purchase new appliances, improve their homes, send their children to college and meet medical bills.



Many of these TIMEPLAN loans are made on new automobiles. The bank provided consumers with financing for one out of every six new cars on the road in California last year. In addition, we play a major role in financing dealer inventory requirements. Through instalment credit and real estate loans, Bank of America lends money to the individual and to the family. By means of a variety of other services, the bank encourages thrift and provides for every family banking need, from school savings to estate planning.



These are some of the many ways Bank of America serves the community. Meeting the demands of this growing state and nation has led to our growth—just as our growth makes it possible for us to solve the many new problems posed by a rapidly expanding economy. Bank of America—now serving one out of three Californians—is fortunate to be in a position to sponsor undertakings of such magnitude. It will continue to meet its responsibilities to the consumer, the state, and the nation's industry.





*IN CALIFORNIA, ACROSS THE NATION AND AROUND THE WORLD
BANK OF AMERICA OFFERS "ON THE SPOT" SERVICE*

